

# U.S. Assistance to Bulgaria: Overview

*Since the start of the reforms in Central and Eastern Europe in 1989, the United States has played a catalytic and central role in supporting democratic institutions, political pluralism, and free markets. U.S. Government foreign assistance funding is coordinated and monitored primarily by the U.S. Agency for International Development (USAID). The country-specific strategies varied in focus but were built on common, region-wide strategic goals: economic restructuring, democratic transition, and social stabilization. American assistance to Bulgaria began in early 1990 with \$2 million in grants designated for strengthening the political processes by supporting free and fair elections. The U.S. Government has since contributed more than \$390 million in SEED assistance to Bulgaria through 2001.*

## Initial U.S. Assistance Program

In the early years of the reform, the U.S. adopted a "targets of opportunity" approach for Central and Eastern Europe with assistance provided to a multitude of recipients. When reform stalled in critical areas, USAID responded to a lack of commitment at the national level by targeting assistance at the local level. To address national level political changes in 1997, USAID revised its strategy to focus on Bulgaria's movement towards European Union accession and to actively support accelerated efforts for Bulgaria's transition to a democratic political system and to an open, free, and competitive economy. Over the following years, USAID strengthened its country program

objectives and reinforced synergistic activities throughout the program, guided by implementation lessons learned. Current areas of focus include economic growth, democracy and governance, and social transition assistance.

## Current U.S. Assistance Program

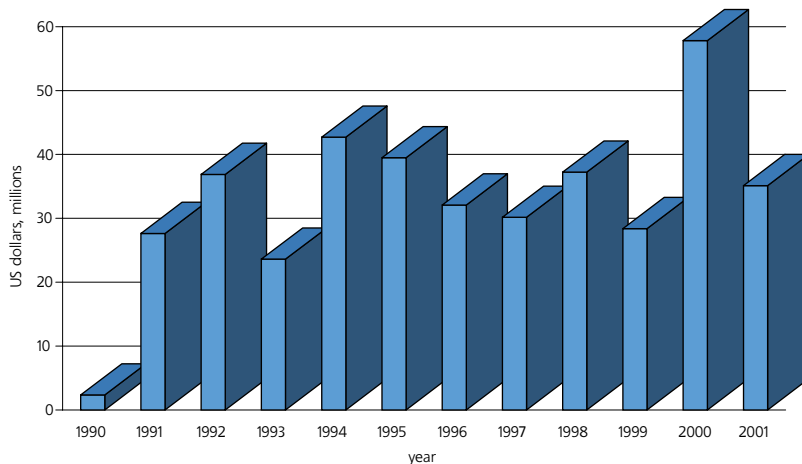
### ***Economic Growth and Restructuring***

USAID works to foster a competitive, private sector led, market-oriented economy in Bulgaria. The focus of the efforts are projects that strengthen a network of private business support institutions; improve the legal and regulatory framework for business development; create jobs; provide access to credit; stimulate local economic development; and, support public-private dialogue on strategies for private enterprise growth. Since 1997, efforts have shifted from specific assistance to individual enterprises to increasing support to business and professional associations, with a recent focus on a pool of priority industry clusters, viewed as potential catalysts of the Bulgarian economy's competitiveness within Europe, in general, and the region, in particular. To bolster the development of stable, efficient, and regulated markets and institutions conducive to economic growth, USAID is providing assistance for the modernization of Bulgaria's financial system with targeted assistance to the banking and capital markets sectors.



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## USAID Assistance to Bulgaria



### Democracy and Governance

The cornerstone of the democracy and governance activities has been to support capacity building of local government institutions and non-government organizations that support the voice of civil society through the Local Government Initiative and the Foundation for Local Government Reform. Complementing these efforts, USAID supports reforms in the Bulgarian judicial system by focusing on improved professionalism of the judiciary and improved court administration. USAID also works to achieve increased, better-informed citizen participation in public policy decision-making by building the professional capacity of the independent broadcast media, as well as by strengthening the capacity of non-

governmental organizations to obtain political access, services, and resources. Under the Local Government Initiative, USAID promotes decentralization and the adoption of a favorable legal framework to provide local governments with the authority to match responsibilities; to establish financial tools, resources and practices for the creation of a sound municipal finance base; and, to develop more efficient and participatory local administrations. Through the Foundation for Local Government Reform, USAID works to improve the capabilities of non-government organizations to represent civil society on governance issues.

### Social Transition

USAID currently addresses some of Bulgaria's social transition issues through assistance for pension reform and health-care financing reform. To alleviate regional employment disparities, USAID has also funded community development programs with a focus on job creation. USAID also supports the strengthening of the professional expertise of Bulgaria's human capital through in-country, US, and third-country training for both public and private individuals and organizations.

## USAID Assistance to Bulgaria Funding by Sector

